the public sector "Navaratnas" during each of the years 1995-96 and 1996-97?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): The latest available information on net profits earned by the enterprises is for the year 1995-96. The final figures for 96-97 are awaited. The amount of net profits made by the 9 public Sector Enterprises (Navaratnas) during each of the years 1994-95 and 1995-96 are as under:—

Name of the Enterprise	Net Profit (Rs. Crores) 1994-95	1995-96
BHEL	141	350
BPCL	292	386
HPCL	391	514
IOC	1019	1249
IPCL	562	604
NTPC	1125	1353
ONGC	1931	1945
SAIL	1109	1319
VSNL	303	410

Foreign investment in liquor industry

1301. SHRI S. MUTHU MANI: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is true that Government permits foreign investment in India (Liquor industry) only in non-molasses based potable alcohol sector;

(b) whether any multinational company has been allowed to use molasses by deleting the condition on use of only non-molasses alcohol in the production of alcoholic beverages without the consent of the administrative Ministry as has been reported in the press; and

(c) if so, what are the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) The Policy of the Government is not to allow fresh capacity creation in potable alcohol sector in Foreign Direct Investment (FDI) proposals. Therefore, Government have been allowing foreign investment in this sector for manufacture of potable alcohol including Indian Made Foreign Liquor (IMFL), within the existing licenced capacity of the Indian joint venture partner so that no fresh capacity is created. So far, approvals given in this sector are in line with Government Policy and as per conditions imposed. All approvals are subject *inter-alia* to the condition that no fresh capacity for manufacture of potable liquor shall be allowed and that the proposed joint venture shall use the existing licenced capacity of the Indian partner who must hold an existing valid licence. The use of raw materials *i.e.*, molasses or non-molasses would depend upon the condition and terms of the existing licence held by the Indian joint venture partner unless otherwise specified by the Government at the time of approval of the foreign collaboration.

While granting approvals for foreign investment in this sector, the recommendations of Ministry of Food Processing Industries and Department of Chemicals and Petrochemicals are duly taken into account by the Foreign Investment Promotion Board (FIPB).

Funds crunch in Praga Tools, Hyderabad

1302. DR. Y. LAKSHMI PRASAD:
SHRI SOLIPETA RAMACHANDRA REDDY:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Praga Tools, Hyderabad is on the verge of closure;

(b) whether Praga Tools, Hyderabad was unable to meet the orders taken from Germany, U.K. and USA owing to funds crunch; and

(c) if so, the action taken to revive the working capital of the undertaking which is on the verge of collapse?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) No, Sir.

(b) The Company had orders from U.K. and Germany which could not be met in 1996-97 due to financial problems.

(c) For turnaround of the Company, in principle approval has been given to Praga Tools Ltd. to convert it into a Joint Venture Company.

Clearance of foreign direct investment proposals

1303. SHRI RAMDAS AGARWAL: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have approved 62 proposals with foreign direct investment (FDI) worth Rs. 1,081 crores on the recommendations of the Foreign Investment Promotion Board, as reported in the Economic Times, New Delhi dated 10th July, 1997;

(a) if so, the details of key proposals approved indicating F.D.I involved including a foreign equity stakes; and

(c) the total number of FDI proposals cleared so far by Government alongwith the total projected foreign investment in crores of rupees since August 1991 when Government has set the liberalisation of the economy in motion and which were the 25 largest proposals approved involving Rs. 300 crore or so till date?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Yes, Sir. The details of proposals approved indicating foreign direct investment involved including foreign equity stakes is attached as Annex. [*See* Appendix 181, Annexure No. 35]

(c) Total number of 6359 proposals envisaging foreign direct investment of Rs. 121672.63 crores have been approved during the post policy period i.e. from August 1991 to May 1997. Out of these, total number of 101 proposals envisaging foreign direct invetment of Rs. 64365.42 crores were approved during the same period involving foreign investment above Rs. 300 crores in each project.

Details of autonomy package for PSU

1304. SHRI RAMDAS AGARWAL: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have decided to grant autonomy to nine PSUs (NAVRATNAS) as per their minimum common programme for PSU reforms;

(b) if so, the full details of Government's autonomy package indicating to whom the PSUs Chief Executives would be accountable for the commercial decisions keeping in view that freedom would not be misused in the absence of necessary checks as pointed out by the Chairman of Disinvestment Commission in his interview reported in the Hindustan Times dated 10th July 1997; and

(c) in what manner these PSUs will mobilise their internal resources for developmental programmes in the absence of Finance Ministry's budgetary support or Government's guarantee to NAVRATNAS?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) Yes, Sir.

(b) A memorandum issued in this context is given as a Statement. (*see* below)

(c) This can be done, among others, from and by accessing the domestic and international markets to raise capital or debt.

Statement

No. DPE/11(2)/97-Fin.
Government of India
Ministry of Industry
Department of Public Enterprises

Block No. 14, CGO Complex,
Lodi Road, New Delhi-110003
Dated the 22nd July, 1997